

COUNTY OF FAUQUIER, VIRGINIA

Exhibit 26

**Combining Statement of Cash Flows
Internal Service Funds
Fiscal Year Ended June 30, 2005**

	Internal Service Funds		
	Fleet Maintenance Fund	Health Insurance Fund	Total
Cash Flow from Operating Activities			
Receipts from customers and users	\$ 2,183,606	\$ 12,079,299	\$ 14,262,905
Payment to suppliers and other operating activities	(1,596,701)	(11,569,062)	(13,165,763)
Payment to employees (including fringes)	(684,228)	-	(684,228)
Net cash provided by (used in) operating activities	(97,323)	510,237	412,914
Cash Flow from Noncapital Financing Activities			
Transfers in	-	153,000	153,000
Due to other funds	47,817	-	47,817
Net cash provided by noncapital financing activities	47,817	153,000	200,817
Cash Flow from Capital and Related Financing Activities			
Acquisition and construction of capital assets	(15,977)	-	(15,977)
Net cash provided by (used in) capital and related financing activities	(15,977)	-	(15,977)
Cash Flow from Investing Activities			
Interest	-	135,856	135,856
Net cash provided by investing activities	-	135,856	135,856
Net increase (decrease) in cash and cash equivalents	(65,483)	799,093	733,610
Cash and cash equivalents - beginning of the year	65,683	4,257,702	4,323,385
Cash and cash equivalents - end of the year	200	5,056,795	5,056,995
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities			
Cash flows from operations:			
Operating income (loss)	(100,371)	253,071	152,700
Adjustment to reconcile net income to net cash provided by operations:			
Depreciation	25,484	-	25,484
Changes in operating assets and liabilities:			
(Increase) decrease in receivables	(9,197)	192,306	183,109
Increase in incurred but not reported claims	-	71,100	71,100
(Increase) in inventory	(15,396)	-	(15,396)
(Decrease) in accounts payable	(6,508)	(6,240)	(12,748)
Increase in accrued liabilities	8,665	-	8,665
Net cash provided by (used in) operating activities	\$ (97,323)	\$ 510,237	\$ 412,914

The accompanying notes to financial statements are an integral part of this statement.